

DENSITY BONUS REPORT
for
355 1ST STREET
LOS ALTOS, CA

On behalf of 355 1st St LLC, C/O DeNardi Wang Homes, (“Applicant”), we are providing this Density Bonus Report with regard to that certain project located at 355, 365, 371, 373 1st Street, Los Altos, California (the “Project”). Capitalized terms not defined herein shall have the meaning set forth in the Los Altos Municipal Code (“LAMC”).

1. Requested Density Bonus

Summary of Project:

Lot Size	27,887 S.F. (0.64 acres)
Density	The Project is located in the CD/R3 District, which allows multiple-family housing as a permitted use and does not specify a maximum allowable residential density.
Base Density	Based on the city’s development standards, a Base Density Model on Sheet T3 was created. The Base Density Model shows that the Base Density is thirty-nine (39) units.
Total Number of Units	Fifty (50) units will be built at the Project, including two (2) studio units, seven (7) 1-bedroom units, thirty (30) 2-bedroom units, and eleven (11) 3-bedroom units.
Proposed Number of Affordable Units	For the Project, the Applicant shall offer six (6) below market rate units, of which three (3) units will be at the very low-income level and three (3) units will be at the moderate-income level. The three (3) very low-income level units include one (1) studio unit and two (2) 1-bedroom units. The three (3) moderate-income level units include one (1) 1-bedroom unit and two (2) 2-bedroom units.
Density Bonus	By offering three (3) very low-income level units with a Base Density of thirty-seven (39) units, the Applicant is providing 7.69% units at the very low-income level, which rounds up to 8%. State Density Bonus Law states if 8% of the Base Density is provided at the very low-income level, a Density Bonus of 27.5% is granted. Based on the Base Density of thirty-nine (39) units, a Density Bonus of 27.5% is 10.725 units, which rounds up to eleven (11) units. To achieve the total number of fifty (50) units, eleven (11) bonus units are needed.

Assessor's Parcel Number(s)	167-41-026, 167-41-027, 167-41-028, 167-41-029
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2. Requested Incentives and Concessions

The Project will include seven point sixty-nine percent (7.69%) very low income units and as such exceeds the five-percent threshold required for one (1) incentives (LAMC Sec. 14.28.040(C)).

Requested On Menu Incentive – Building Height Increase

Accordingly, Applicant is eligible for and is requesting one (1) On Menu Incentive under LAMC Sec. 14.28.040(F) to allow for a building height of up to forty-six (46) feet whereas the LAMC allows for a maximum building height of thirty-five (35) feet.

This height increase will allow for additional units which then reduces the actual cost per square foot to complete the Project and furthers Applicant's ability to provide for affordable rents or affordable housing costs. See Section 4 below for more information.

California Government Code Section 65915(d)(1) states that the City has the burden of proof in demonstrating that the requested incentive would not result in an identifiable, financially sufficient and actual cost reductions ("The city, county, or city and county shall grant the concession or incentive requested by the applicant unless the city, county, or city and county makes a written finding, based upon substantial evidence" that the incentive (A) does not result in identifiable and actual cost reductions to provide for affordable housing costs, (B) would have a specific, adverse impact, or (C) would be contrary to state or federal law). It is presumed that the requested incentive, as an On Menu Incentive that is specifically recognized by the LAMC, will result in identifiable, financially sufficient and actual cost reductions to the Project, unless the City makes a written finding otherwise.

3. Requested Waiver(s)

Requested Waiver – Building Height Increase

Applicant is requesting a waiver to allow for a building height of up to sixty-three (63) feet and four and a half (4.5) inches where the development standard set forth in LAMC Sec. 14.66.240(F) requires that an enclosed roof structure housing the elevator for the proposed residential building that provides access to the roof top be limited to twelve (12) feet in height. Based on findings by the architect for the Project, the elevator housing on the roof deck cannot be constructed unless it is approximately seventeen (17) feet and six (6) inches in height, and an elevator shaft is necessary to comply with accessibility standards. This is evidenced by the attached letter from the architect for the Project.

The additional height requested is less than six (6) feet, and would not be visible from the street because it is set back from the roof edge. Thus there is no specific adverse impact caused by the requested waiver, which is minor in nature and has no impact on the public at large.

Pursuant to LAMC Sec. 14.28.040(H), this waiver should be granted because:

- The development standard set forth in LAMC Sec. 14.66.240(F) would have the effect of physically precluding the construction of the elevator, which is required to access the roof deck per the accessibility requirements set forth in the California Building Code.
- To Applicant's actual knowledge, the increased height in the elevator housing would not (i) have a specific, adverse impact upon the health, safety or the physical environment, (ii) have an adverse impact on any real property that is listed in the California Register of Historical Resources, or (iii) be contrary to state or federal law.

Requested Waiver – Parking Space Width

Applicant is requesting a waiver of the development standard set forth in LAMC Sec. 14.74.200(A) which requires that perpendicular parking spaces in off-street parking facilities must have a width of no less than nine (9) feet. Based on findings by the architect for the Project, the Project would be able to provide more total parking spaces if the width of some of the parking spaces was reduced to 8.5 feet. Specifically, the width of ten (10) percent of the parking spaces will be reduced, thereby allowing the Project to meet LAMC's parking standards.

The Project meets the State required parking without the stall reduction. The waiver is to create additional parking which is desired by the city. Without the waiver there will be four (4) less parking spaces available.

Pursuant to LAMC Sec. 14.28.040(H), this waiver should be granted because:

- The development standard set forth in LAMC Sec. 14.74.200(A) would have the effect of physically precluding the desired number of total parking spaces, which would support the functionality of the building.
- To Applicant's actual knowledge, the decreased width in a portion of the parking spaces would not (i) have a specific, adverse impact upon the health, safety or the physical environment, (ii) have an adverse impact on any real property that is listed in the California Register of Historical Resources, or (iii) be contrary to state or federal law.

4. Response to Staff Questions

To demonstrate how and why the On-Menu Incentive for height is warranted for the Project, the Cost Savings gaining eleven (11) units with the additional building height is as follows:

Assuming costs are fixed at approximately one million three hundred thousand dollars (\$1,300,000) per unit, the additional eleven (11) market rate units help subsidize the loss resulting from the six (6) Below Market Rate Units.

The BMR's sell anywhere from around \$119,739 for a Studio Very Low Income Unit to around \$552,823 for a 2 Bedroom Moderate Income Unit.

The Project will suffer a loss of approximately six million six hundred thousand dollars (\$6,600,000) on the sale of the affordable units (sold below cost of production), and the additional units are required to subsidize this additional cost to the Project.



September 10, 2021

Subject: Waiver for Elevator Penthouse Height Increase

To Whom it May Concern,

The roof deck amenity is vital to the success and viability of this project. In order to provide the roof deck an elevator is required to meet the Accessibility Codes. In order to be able to physically build an elevator to access the rooftop deck, the elevator housing on the roof deck must be approximately seventeen (17) feet and six (6) inches in height. We have provided cut sheets from many of the major elevator manufactures to illustrate this fact. These show that the override required when including the hoist beam, the roof decking, and the shaft roof is approximately 17'-6". Per Section 14.66.240 of the LAMC a 12' elevator penthouse is allowed for roof access. Therefor we are requesting a Waiver of 5'-6" for the elevator penthouse.

The density of the project based on the required Affordable Housing Units and the resulting Density Bonus Units does not allow for a large common open space at any other level. The need for this amenity was reiterated by the city staff and Planning Commissioner's during the process.

Sincerely,

Jeffrey Potts
Principal Architect